

Chuck and Wendy's Statement of Financial Position

	Total Points Earned
15	Total Points Possible
	Percentage

Name _____

Date _____

Class _____

Chuck and Wendy have been married for three years and have been saving to purchase a home. Their real estate agent has encouraged them to take a long look at their finances before beginning the loan approval process. They want to create a Statement of Financial Position for May 31 to determine steps they can take to improve their financial well-being. Use the information below to help Chuck and Wendy complete this task. (10 points for completion)

As Wendy sorts through their information, she is excited about the \$15,000 the couple has managed to deposit into their savings account. They both knew they wanted to own a home and making it a habit to save money early in their marriage has helped them almost reach that goal. Other positives include \$5,000 in other savings tools and a balance of \$1,340 in a joint checking account. Chuck's employer also matches his 401k retirement contributions which has helped the account reach a value of \$12,400. Wendy has begun saving for retirement as well and has \$8,600 in her individual retirement account. They own two vehicles, one valued at \$7,500 and the other at \$6,000. Items the couple owns include two computers, worth \$600 each, a digital camera valued at \$560 and a television worth \$300. They also own two jet skis, valued at \$2,200 each, and living room and bedroom furniture that is worth approximately \$3,000.

Chuck's paperwork pile isn't as reassuring as the one Wendy has been looking through. According to the credit card statement, the couple owes \$3,500 for their credit card and another \$2,000 remains on the loan they took out to purchase the jet skis. Although one vehicle is paid for, they owe \$4,000 for the other, and another \$8,000 combined for their student loans.

Using the template provided, complete Chuck and Wendy's Statement of Financial Position. When the statement is complete, analyze the statement to answer the questions below about Chuck and Wendy's overall "financial temperature."

1. Would you describe Chuck and Wendy's current financial position as good, average, or poor? Provide two specific examples to support your position. (3 points)

2. What are two specific steps Chuck and Wendy could take to increase their net worth in the next year? (2 points)